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Italy

Fresh Deciduous Fruit

Italy Fresh Deciduous Fruits

2007

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Report Highlights: In 2006/07 the Italian deciduous fruit sector benefited from good growing conditions and a sizeable exportable supply. Italian fruit exports are starting to reach new markets, specifically the Russian Federation, Libya and Saudi Arabia.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Rome [IT1]
[IT]

Fresh Apples

ASSOMELA, the Italian Apple Producers' Association, estimates 2006-2007 national production at 2.04 million tons of above-average quality apples, exceeding the 2 million tons grown in 2006. Italian apple production accounts for almost 20% of total EU production. Weather conditions in 2006-2007 in northern Italy, the main growing region, were more clement that the previous year. While Italian apple quality varies with the region of cultivation, in general, the 2007/2008 crop is expected to be average to good. Last year hail and heavy rains resulted in poor quality fruit.

According to the most recent production forecasts, the increase in Italian production is in contrast to a decrease in overall European production which is forecast to drop by 13% from 9.8 million tons in 2006 to 8.5 million tons in 2007. The largest EU production decrease is expected in Eastern Europe, where output is predicted to fall 45%, from 3.18 million tons in 2006 to 1.72 million in 2007. Bad weather has affected production in Poland, Hungary and Slovakia. This downturn in production is partly offset by a slight rise in the "original" EU 15 countries (mainly the United Kingdom, Holland, Austria, France and Italy), turning out 6.7 million tons in 2006 and 6.85 million tons in 2007. Italian apple producers are hopeful that the decrease in Eastern European production will boost Italian exports.

Italians are very fond of apples, consuming more than 17 kilos per person a year. The average quality level of the Italian apple-growing industry during the past few years has improved due to constant refining of farming practices, including improved conservation, selection and packaging techniques, coupled with progressive farming concentrated in hills and mountains - the most suitable planting area for apples. In Italy, four cultivars represent 75% of production - Golden Delicious, Red Delicious, Fuji and Gala.

Italy: Fresh Apple Production Forecast (tons) by Variety for 2007
(Please convert all periods to commas) Tonnellate - tons

[illegible]

EU: Fresh Apple Production Forecast (tons) for 2007
(Please convert all periods to commas) Tonnellate – tons

Tonnellate

PAESE	1998	1999	2000	2001	2002	2003	2004	2005	2006	Previsione 2007	% 2007/06	% 2007/03-06
Italia	2.165.000	2.196.000	2.127.000	2.181.000	2.172.000	2.132.000	2.082.000	2.191.000	1.991.000	2.043.000	+3	-1
Francia	1.730.000	2.230.000	2.380.000	1.998.000	1.862.000	1.728.000	1.798.000	1.739.000	1.584.000	1.613.000	+2	-5
Germania	977.000	1.096.000	1.131.000	922.000	793.000	836.000	945.000	925.000	945.000	952.000	=	+5
Spagna	691.000	837.000	683.000	596.000	643.000	731.000	593.000	701.000	547.000	570.000	+4	-9
Regno Unito	217.000	236.000	155.000	212.000	128.000	156.000	163.000	192.000	174.000	202.000	+16	+18
Olanda	507.000	555.000	550.000	475.000	376.000	405.000	455.000	381.000	347.000	391.000	+12	=
Belgio	497.000	534.000	530.000	337.000	345.000	319.000	356.000	317.000	334.000	348.000	[illegible]	+3
Grecia	265.000	257.000	283.000	194.000	244.000	265.000	282.000	265.000	267.000	266.000	=	+9
Portogallo	360.000	285.000	227.000	255.000	300.000	287.000	277.000	252.000	247.000	197.000	-20	-26
Danimarca	29.000	32.000	31.000	28.000	25.000	25.000	26.000	36.000	37.000	36.000	-4	=
Austria	128.000	194.000	151.000	156.000	161.000	157.000	152.000	173.000	161.000	194.000	+20	+20
TOTALE	7.394.000	8.386.000	8.101.000	7.514.000	7.122.000	6.914.000	6.940.000	7.072.000	6.551.000	6.893.000	[illegible]	-1
Rep. Ceca	127.000	140.000	125.000	141.000	163.000	152.000	124.500	158.000	159.000	106.000	-33	-31
Ungheria	485.000	441.000	665.000	605.000	537.000	550.000	680.000	467.000	490.000	203.000	-58	-62
Lettonia	24.000	34.000	55.000	36.000	90.000	36.000	7.000	24.000	20.000	15.000	[illegible]	[illegible]
Lituania	100.000	100.000	102.000	155.000	61.000	89.000	34.000	122.000	100.000	40.000	-60	-60
Polonia	1.687.000	1.604.000	2.400.000	2.466.000	2.168.000	2.428.000	2.522.000	2.205.000	2.250.000	1.200.000	-47	-49
Slovenia	65.000	80.000	59.000	36.000	49.000	61.000	62.500	58.000	50.000	60.000	+20	+4
Bulgaria	128.000	110.000	92.000	75.000	73.000	52.000	53.000	71.000	65.000	60.000	-8	-5
Slovacchia	25.000	21.000	27.000	27.000	17.000	34.000	31.000	35.000	31.000	10.000	-68	-70
Estonia	9.000	11.000	15.000	15.000	17.000	5.000	2.000	11.000	10.000	18.000	+80	[illegible]
TOTALE	2.617.000	2.578.000	3.225.000	3.570.000	3.150.000	3.423.000	3.546.000	3.149.000	3.177.000	1.721.000	-46	-50
TOTALE	10.022.000	10.924.000	11.326.000	11.093.000	10.272.000	10.336.000	10.486.000	10.221.000	9.828.000	8.524.000	-13	-17

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Leading Italian Apple Producing Regions (tons) – 2007

Italian Region	**Alto Adige**	**Trentino**	**Veneto**	**Piemonte**	**Emilia Romagna**	**Lombardia (Valtellina)**	**Others**
Estimate for 2007	897.482	417.636	260.396	228.256	190.772	38.300	50.758
Final Output for 2006	921.314	362.919	248.689	201.087	162.325	35.042	60.000

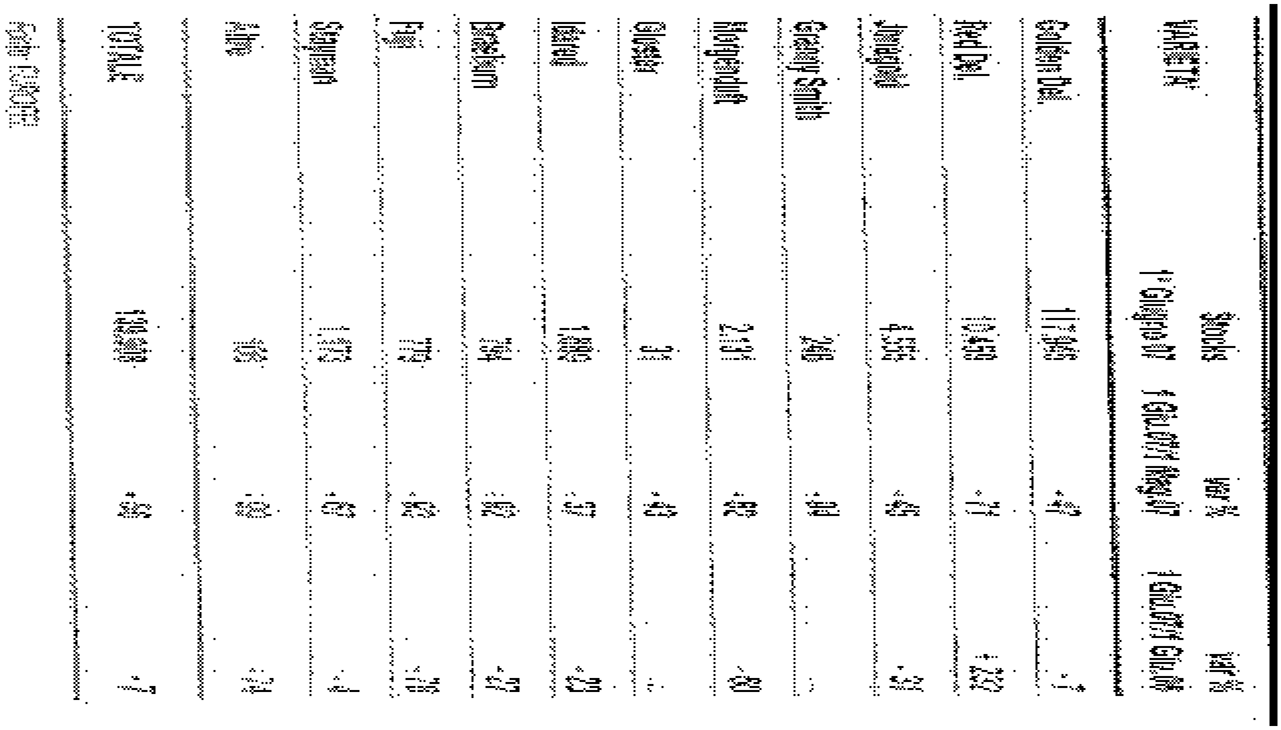
Source: ASSOMELA - CSO

Apple stocks

Presently Italian apple stocks are very low due to a successful export marketing in 2006, good internal consumption and reduced competition from other EU producers. As of June 1, 2007, apple stocks totaled 139,908 tons.

Italian Apple Stocks

Apple Variety ***Stocks June (tons)*** ***June-May 07*** ***Jun 07/June 06***



Trade

The latest ISTAT trade data report that Italian apple exports for the marketing year 2006/2007 dropped to just under 708,000 tons, compared with nearly 730,000 tons the previous year. However, while export quantity fell, the value of export sales rose to € 500 million, a 23% increase from the previous year. Apple prices on average were 0.71 Euros per kilo. Italy exports roughly 28% of its apple production.

During the last marketing year, apples exported to EU 25 countries dropped represented 83% of total Italian exports, compared to 90% for the previous year. This percent change is because Italian apples are now reaching new markets, specifically the Russian Federation with 40,000 tons, Saudi Arabia with 8,600 tons and Libya with 7,500 tons. Italy's number one apple export market continues to be Germany which takes 297,000 tons or over 40% of total annual exports.

Italy Apple Exports by Marketing Year (July-June)

Tonnellate = Tons

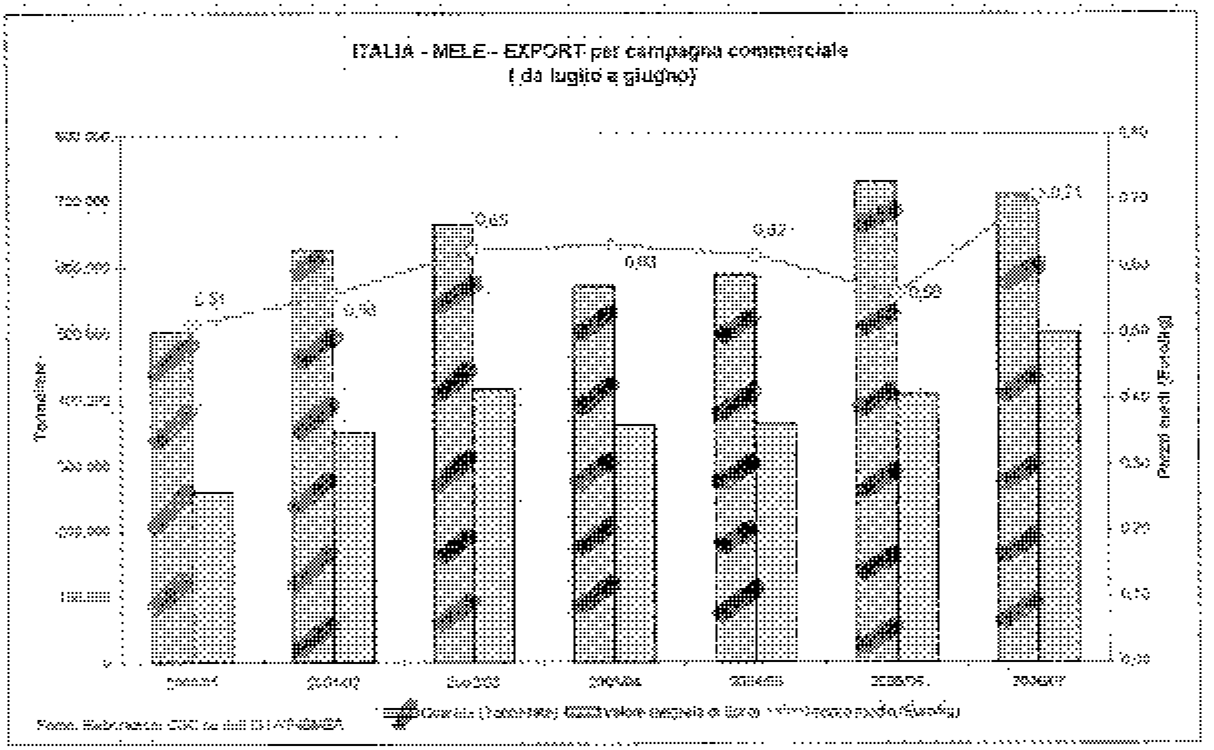
MELE - ITALIA EXPORT

EXPORT PER CAMPAGNA COMMERCIALE (da luglio a giugno)

Paesi	2000/01		2001/02		2002/03		2003/04		2004/05		2005/06		2006/07	
	Tonnellate	*1000 euro	Tonnellate	*1000 euro	Tonnellate	*1000 euro	Tonnellate	*1000 euro	Tonnellate	*1000 euro	Tonnellate	*1000 euro	Tonnellate	*1000 euro
Germania	249.756	135.664	343.795	179.062	322.003	212.890	302.900	197.768	281.887	184.352	333.629	187.615	297.085	214.944
Spagna	23.556	11.338	26.618	18.354	48.300	28.030	34.916	27.371	50.138	30.757	39.994	26.095	49.969	38.955
Regno unito	29.037	19.457	23.834	19.733	39.493	31.771	27.281	24.343	38.662	31.690	41.365	31.159	43.547	39.081
Francia	11.338	7.418	19.906	12.539	24.286	13.066	25.743	11.765	30.642	14.825	20.562	9.925	26.463	13.919
Svezia	10.946	5.532	12.817	8.551	17.461	10.330	13.629	8.944	16.242	10.478	24.328	13.707	22.058	16.401
Repubblica ceca	19.833	6.215	11.587	5.145	15.844	6.398	10.260	4.538	8.749	3.618	19.497	7.847	19.231	10.563
Danimarca	8.569	4.768	8.801	5.978	13.243	8.471	11.534	7.960	12.993	8.647	17.879	11.190	17.720	13.398
Grecia	16.614	10.004	32.967	24.811	32.190	23.306	22.388	18.200	13.415	8.612	20.104	12.944	16.753	12.257
Belgio-lussemburgo	16.795	7.269	14.785	8.795	14.946	8.005	8.120	3.318	12.597	6.397	16.316	9.695	11.791	9.430
Austria	13.785	3.685	24.882	7.758	15.988	6.563	23.113	7.280	16.731	6.374	18.496	5.705	11.208	6.969
Paesi bassi	4.231	1.970	5.932	3.091	8.965	4.083	6.705	2.399	4.940	2.594	8.367	3.680	9.288	6.488
Lituania	705	283	318	222	1.326	658	665	311	398	210	3.137	1.775	8.041	5.162
Portogallo	6.223	2.955	3.028	2.055	5.519	3.446	4.290	3.097	7.415	4.045	7.084	3.928	7.147	4.869
Finlandia	385	306	1.763	1.332	2.352	1.687	1.292	966	1.726	1.181	2.460	1.519	6.724	4.682
Slovacchia	7.553	2.473	4.575	1.974	6.443	2.549	3.837	1.495	3.909	1.455	6.692	2.413	6.207	2.619
Cipro	1.676	1.002	2.128	1.534	2.076	1.385	1.299	1.074	1.828	1.332	4.431	2.792	4.610	3.726
Malta	4.792	2.051	3.695	2.186	2.910	1.635	2.157	1.205	4.324	2.470	4.609	2.345	4.214	2.682
Ungheria	2.629	1.205	2.214	1.379	3.549	2.045	1.645	1.006	3.106	1.414	4.251	1.995	4.021	2.259
Slovenia	3.209	983	6.343	2.218	3.255	958	1.742	711	1.097	542	2.499	1.238	3.076	1.572
Irlanda	1.251	534	1.663	916	2.532	1.501	2.404	1.476	2.322	1.360	4.056	2.358	2.251	2.035
Polonia	4.076	2.054	1.869	1.286	889	526	311	160	124	78	1.072	503	2.035	1.270
Altri	1.117	431	384	211	797	386	459	239	428	214	392	261	854	561
TOTALE UE (25)	**438.076**	**227.598**	**563.904**	**309.132**	**584.367**	**369.689**	**506.690**	**325.626**	**513.673**	**322.645**	**601.220**	**340.889**	**576.294**	**413.843**
Russia	8.412	4.017	10.086	6.260	11.780	6.542	11.184	5.681	20.255	10.671	35.686	19.197	39.058	24.947
Norvegia	7.457	4.441	11.010	8.594	15.856	12.017	10.879	9.324	14.141	10.457	18.678	13.248	19.185	16.761
Romania	3.494	1.335	1.532	792	2.148	821	906	350	2.251	614	8.402	2.105	8.283	3.811
Albania	13.022	3.249	14.684	4.458	9.673	3.106	9.151	2.959	6.221	1.826	8.313	2.626	8.130	2.877
Svizzera	4.240	1.362	4.649	1.737	3.631	1.568	5.191	2.462	6.052	2.384	5.296	1.953	7.838	5.509
Bulgaria	412	181	786	408	2.105	842	1.554	635	2.279	953	5.094	2.108	4.984	2.557
Croazia	2.570	1.176	5.763	3.231	4.389	2.280	3.929	2.165	3.505	1.656	2.891	1.354	3.578	2.014
Serbia-montenegro	979	450	2.365	1.366	4.024	2.037	2.859	1.388	2.546	1.133	2.504	1.038	2.591	1.346
Bosnia-erzegovina	2.592	830	6.600	2.214	4.350	1.096	5.687	1.184	2.914	733	4.032	1.136	1.442	361
Altri	6.995	3.336	3.178	2.275	1.737	1.065	1.327	827	1.102	747	3.350	2.094	3.906	2.891
EUROPA EXTRA UE TOTALE	**50.173**	**20.397**	**60.653**	**31.335**	**59.693**	**31.374**	**52.667**	**26.976**	**61.266**	**31.174**	**94.247**	**46.857**	**98.996**	**63.074**
Africa	6.413	4.439	2.561	1.923	7.502	5.252	4.745	3.352	4.743	3.213	16.746	8.246	17.067	11.106
Nord America	115	59	199	159	16	15	72	49	60	50	0	0	111	97
Altri Paesi Americani	1.883	1.173	328	264	609	333	285	157	18	15	1.854	1.218	1.571	1.295
Estremo Oriente	1.934	1.104	417	326	124	87	226	139	73	48	243	164	213	175
Medio Oriente	5.426	4.280	8.379	7.747	11.314	9.218	6.444	5.406	7.961	6.172	12.848	9.249	12.902	10.886
Altri Paesi Asiatici	1.101	585	1.058	641	944	464	368	197	201	82	414	220	339	210
TOTALE COMPLESSIVO	**505.121**	**259.637**	**627.499**	**351.527**	**664.569**	**416.432**	**571.497**	**361.901**	**587.995**	**363.399**	**727.572**	**406.844**	**707.483**	**500.686**

3

Italy Apple Exports by Marketing Year (July-June)
Tonnellate – ton
Prezzi medi – average price



Quantity – quantity
Valore- value
Prezzo medio – average price (Euro/kilo)

New Developments

The Italian Apple Testing Center in Laimburg, Alto Adige, in collaboration with the University of Medicine in Salzburg, Germany, is carrying out research work for the development of an allergen free apple. According to researchers at the Laimburg Center, over 80% of the population is sensitive to birch pollen and has allergic reactions to apples as well. The project is slated to begin next autumn.

PSD Table

Country	**Italy**								
Commodity	**Apples, Fresh**						(HA)(1000 TREES)(MT)		
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		07/2005	07/2005		07/2006	07/2006		07/2007	07/2007
Area Planted	61696	0	61696	61650	0	61665	0	0	61188
Area Harvested	57136	0	57136	57100	0	57183	0	0	57123
Bearing Trees	0	0	0	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0	0	0	0
Commercial Production	2071000	0	2071000	1949000	0	1966000	0	0	2018000
Non-Comm. Production	26000	0	26000	25000	0	25000	0	0	25000
Production	2097000	0	2097000	1974000	0	1991000	0	0	2043000
Imports	35221	0	35221	70000	0	37586	0	0	35000
Total Supply	2132221	0	2132221	2044000	0	2028586	0	0	2078000
Fresh Dom. Consumption	1002437	0	1002437	944000	0	921103	0	0	953000
Exports, Fresh	729784	0	729784	700000	0	707483	0	0	725000
For Processing	400000	0	400000	400000	0	400000	0	0	400000
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	2132221	0	2132221	2044000	0	2028586	0	0	2078000

PSD Table

Country **Italy**

Commodity **Apple Juice, Concentrated** (MT)

	2005	Revised		2006	Est.		2007	Forecast	
	USDA Official	Post Est.	Post Est. New	USDA Official	Post Est.	Post Est. New	USDA Official	Post Est.	Post Est. New
Market Year Begin		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007
Delivery To Processors	400000	0	400000	400000	0	400000	0	0	400000
Beginning Stocks	6500	0	6500	1500	0	1500	0	0	0
Production	62000	0	62000	62000	0	62000	0	0	62000
Imports	15000	0	15000	18500	0	18500	0	0	19000
Total Supply	83500	0	83500	82000	0	82000	0	0	81000
Exports	70000	0	70000	70000	0	70000	0	0	70000
Domestic Consumption	12000	0	12000	12000	0	12000	0	0	11000
Ending Stocks	1500	0	1500	0	0	0	0	0	0
Total Distribution	83500	0	83500	82000	0	82000	0	0	81000

Fresh Pears - Italy and the EU face a decrease in pear production

Industry sources estimate a drop in pear production for both Europe and Italy. Italian pear production in 2007 is estimated at 876,000 tons, down 90,000 tons from 2006 production.

Forecast of Pear Production in the EU

Tab. 1 - Le previsioni sulla produzione 2007 di pere nell'Unione europea (tonnellate).

Paese	2004	2005	2006	Previsione 2007	Var. % 07/06
Italia	838.000	882.000	966.000	876.000	-9
Spagna	521.000	608.000	535.000	453.000	-15
Francia	248.000	230.000	246.000	218.000	-11
Olanda	225.000	200.000	234.000	250.000	+7
Belgio	231.000	229.000	268.000	280.000	+4
Portogallo	188.000	130.000	175.000	157.000	-10
Grecia	54.000	56.000	45.000	61.000	36
Germania	61.000	53.000	57.000	55.000	-4
Regno Unito	34.000	27.000	27.000	29.000	+7
Danimarca	5.000	5.000	6.000	6.000	=
Totale	**2.405.000**	**2.420.000**	**2.560.000**	**2.384.000**	**-7**
Polonia	87.000	65.000	55.000	35.000	-36
Ungheria	31.000	40.000	39.000	12.000	-69
Bulgaria	4.000	4.000	4.000	3.000	-25
Rep. Ceca	2.000	2.000	2.000	3.000	+0
Totale	**2.530.000**	**2.532.000**	**2.660.000**	**2.437.000**	**-8**

Fonte: elaborazioni Cso su dati Eurofel.

Tab. 1 - 2007's forecast of pear production in the European Union (tons)

Source: CSO/Eurofel

However, according to Eurofel, the European Fresh Produce Association, while the 2007 Italian pear crop will be inferior in volume, it is expected to be superior in quality. Approximately two thirds of total Italian pears are grown in the Emilia Romagna region and 70% of the production consists of the Abate Fetel, William and Conference varieties. Italy is still the largest European pear producer, and number two world-wide, with 43,000 hectares of crop land. Italy provides 35% of total EU pear production, followed by Spain with 25%, and Holland and Belgium with 8%.

Italian pear production forecasts by variety – tons (000)

Tab. 2 – Italia: le previsioni 2007 di produzione delle singole varietà di pere (tonnellate).

Varietà	2004	2005	2006	Previsione 2007	Var.% 2007/06
Abate Fetel	260.000	282.000	328.000	310.000	-5
William B.C.	176.000	184.000	207.000	180.000	-13
Conference	127.000	133.000	137.000	114.000	-17
Decana del Comizio	53.000	48.000	55.000	48.000	-13
Kaiser	50.000	61.000	61.000	59.000	-3
Coscia-Ercolini	54.000	62.000	62.000	61.000	-2
Passacrassana	13.000	13.000	9.000	7.000	-22
Max Red	26.000	24.000	33.000	24.000	-27
Guyot	4.000	4.000	3.000	3.000	=
Altre	75.000	70.000	74.000	69.000	-7
Totale	**838.000**	**882.000**	**966.000**	**876.000**	**-9**

Fonte: Cso.

Tab. 2 - Italy: 2007's forecast of pear production by variety (tons).

Pear Stocks

As of October 2006, there were 450,000 tons of pears in stocks, more or less the same amount from the previous campaign, but the sales trend was slightly higher, and therefore, by the end of March 2007 there was 21% fewer in stocks compared to 2006.

Trade

Italy exports on average 15-20% of its pear production. Over 93% of the Italian pear exports remain within the European market: almost 50% to Germany, 18% to France, 8% to UK, 5% to Austria and 3% to Greece. However, there has also been an increase in exports to Russia, Switzerland, Croatia and Albania. Italy does not export pears to the U.S.

On average, Italian annual pear exports during the 2000-2004 period reached 130,000 tons, roughly 15% of total production. During the 2005/2006 marketing year, Italian pear exports were about 17% of total production, for a total of 154,000 tons.

Italy imports about 115,000 tons of pears annually, mainly from the southern hemisphere countries of Argentina and Chile. Sixty percent of these imports occur during the March through May period.

PSD Table

Country	**Italy**								
Commodity	**Pears, Fresh**						(HA)(1000 TREES)(MT)		
	2005	Revised		2006	Est.		2007	Forecast	
	USDA Official	Post Est.	Post Est. New	USDA Official	Post Est.	Post Est. New	USDA Official	Post Est.	Post Est. New
Market Year Begin		07/2005	07/2005		07/2006	07/2006		07/2007	07/2007
Area Planted	43420	0	43420	42100	0	42250	0	0	41849
Area Harvested	39812	0	39812	37890	0	38512	0	0	38476
Bearing Trees	0	0	0	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0	0	0	0
Total Trees	0	0	0	0	0	0	0	0	0
Commercial Production	841000	0	841000	858000	0	880000	0	0	876000
Non-Comm. Production	40000	0	40000	40000	0	40000	0	0	40000
Production	881000	0	881000	898000	0	920000	0	0	916000
Imports	120070	0	120070	124000	0	105219	0	0	120000
Total Supply	1001070	0	1001070	1022000	0	1025219	0	0	1036000
Fresh Dom. Consumption	646636	0	646636	685000	0	646323	0	0	701000
Exports, Fresh	154434	0	154434	137000	0	178896	0	0	135000
For Processing	200000	0	200000	200000	0	200000	0	0	200000
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	1001070	0	1001070	1022000	0	1025219	0	0	1036000

Italy: Table Grapes

Industry sources report that 2007 was a very good year for Italian table grape production with output not quite reaching the 2006 level of 1.5 million. Moreover, in the main growing regions of Puglia, favorable 2007 weather created optimal conditions for producing top quality table grapes of all varieties. However, while Puglia benefitted from good weather, the torrential rains in Sicily during the months of May and June harmed the quality of that region's table grape production. The Italia grape variety represents half of total table grape production in Puglia and over 70% of total table grape production in Sicily. Production of seedless varieties, such as Apirena, continues to expand, but still represents a very small portion of total Italian output.

Italian Table Grape Exports to Central-Northern European Countries (Kg-kilos volume)

	2004	2005	2006	var.% 2006/05
Germania	141.451.617	156.539.187	100.219.096	-36%
Francia	80.905.185	82.370.600	81.530.945	-1%
Svizzera	18.030.034	24.272.404	18.835.033	-22%
Belgio	23.024.536	23.657.512	16.300.186	-31%
Paesi Bassi	17.246.052	19.940.907	15.237.960	-24%
Austria	10.048.082	11.509.315	8.776.921	-24%
Regno Unito	10.456.884	8.411.508	8.511.932	1%
Danimarca	10.947.375	11.471.333	7.674.085	-33%
Norvegia	9.145.712	10.559.545	5.865.701	-44%
Svezia	7.843.552	8.702.896	5.147.290	-41%
Finlandia	4.066.958	3.749.722	1.506.925	-60%
Islanda	0	187.040	123.480	-34%
Irlanda	249.199	306.421	74.108	-76%
Lussemburgo	29.003	13.710	33.393	144%
Europa centro orientale	**98.370.846**	**115.616.484**	**131.333.001**	**14%**
Mondo	**452.733.988**	**499.553.534**	**413.551.258**	**-17%**

Elaborazione dell'Ice di dati su dati Istat

[illegible]

Trade

The export outlook for Italy's 2007 table grape crop looks much better than 2006 did. In 2006, Italian table grape exports dropped by 17%, from almost 500,000 in 2005 to barely more than 400,000 tons in 2006. Exports in 2006 were the worst in twenty years. Never the less, all is not rosy.

Italian table grape exports have been in constant decline to all major export markets, including Germany, which alone is the buyer of about one third of Italy's exports of this crop. Exports to non-EU countries remain stable but represent a small part of the total. There are various reasons behind the export decline, the most significant being increased competition from other Mediterranean basin countries where overall costs of production and services are much lower than in Italy.

Another problem for Italian table grape exports is the diseconomies of scale in the sector. Most Italian table grape producers are small farmers who sell their product to larger farmers, who then resell to wholesalers and supermarkets. This structure, which increases the number of intermediaries between producer and consumer, pushes farm gate prices down and discourages individual producers from investing in marketing initiatives.

Italian domestic consumption continues to fall, and competition from other major table grape producers in Asia, America, Africa and Oceania continues to increase due primarily to their lower production costs. While these competitors are able to offer table grapes at a lower price, the quality of the grapes is not on par with the Italian product. Price remains a major factor in the decline of table grape consumption in Italy, and this has prompted the industry's consideration of methods to lower production costs in order to compete. Italian industry sources note that producers will need to modify their production procedures and cut costs for price-sensitive consumers who may not value quality factors, such as large size and color uniformity over higher costs. The introduction of technological innovations, development of producer associations in order to aggregate supply, standardization of products, and better use of EU financial grants through the EC directive n#2200/96 are being touted by the Italian table grape producer association as a means to maintain and expand the Italian table grape market.

PSD Table

Country	**Italy**								
Commodity	**Grapes, Table, Fresh**						(HA)(MT)		
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		01/2006	06/2005		01/2007	06/2006		01/2008	06/2007
Area Planted	73900	0	73900	73800	0	72450	0	0	72000
Area Harvested	71400	0	71400	71300	0	69938	0	0	69500
Commercial Production	1578000	0	1578000	1600000	0	1482000	0	0	1452000
Non-Comm. Production	24300	0	24300	25000	0	24000	0	0	25000
Production	1602300	0	1602300	1625000	0	1506000	0	0	1477000
Imports	20000	0	20000	20000	0	23069	0	0	23000
Total Supply	1622300	0	1622300	1645000	0	1529069	0	0	1500000
Fresh Dom. Consumption	802000	0	802000	845000	0	805008	0	0	700000
Exports, Fresh	500000	0	500000	500000	0	414061	0	0	500000
For Processing	320300	0	320300	300000	0	310000	0	0	300000
Withdrawal From Market	0	0	0	0	0	0	0	0	0
Total Distribution	1622300	0	1622300	1645000	0	1529069	0	0	1500000

Average Fruit Price - 2006
€/kg

Product	***Average Price 2005***	***Average Price 2006***	***% var. 2006/2005***
Apples	1,51	1,43	+ 6
Pears	1,85	1,75	+ 6
Table Grapes	2,28	2,20	+ 4

Source: CSO

Average Currency Exchange Rate 2005:
1 € = 0.844

Average Currency Exchange Rate 2006:
1 € = 0.759